

November 25, 2008

New Federal/State Requirements for Biodiesel

Concord, NH – New federal and state requirements regarding biodiesel produced and sold in the state will take effect in December 2008 and January 2009. Biodiesel is a renewable, domestically produced diesel fuel alternative that can be made from virgin oils (typically soy), waste grease, or animal fats. Biodiesel has been available in New Hampshire for many years with 10 retail pumps around the state currently offering biodiesel blends. The state is now poised to be home to one or more commercial biodiesel production facilities as well.

In 2008, the NH General Court, through passage of Senate Bill 522, worked to reduce regulatory barriers in the biodiesel production sector and to protect New Hampshire consumers from poor quality fuel. In addition, the federal government has recently issued pump labeling requirements so consumers are aware they are purchasing a biodiesel blend. Biodiesel is typically blended with petroleum diesel and can be used in most diesel engines with no modifications in blends up to and including 20% biodiesel (known as B20). Some very old diesel equipment may have issues with blends exceeding 5% (B5) and modifications may be necessary to use blends above B20, thus the need for the federal labeling requirements.

Fuel Quality Requirements. Biodiesel is approved for use by most diesel engine manufacturers up to a B20 blend provided the fuel meets the American Society for Testing and Materials; (ASTM) specification D6751 which was established for biodiesel. Senate Bill 522 established a definition for biodiesel under the Revised Statutes Annotated (RSA) 259:6-a that defines biodiesel as a fuel meeting ASTM D6751. The bill also added RSA 260:52-f, prohibiting the sale or delivery of fuel not meeting this definition in the state beginning **January 1, 2009**. The law provides enforcement authority to the Department of Safety (DOS) and associated penalties for non-compliance. Producers and distributors must keep necessary records to document compliance with the fuel quality requirement.

Licensing and Bonding Requirements. New legislation, effective **January 1, 2009**, (RSA 260:36-d) will lower costs for smaller companies. Any person who refines, distills, prepares, blends, manufactures, or purchases 10,000 gallons or less of biodiesel in a monthly period will be allowed to obtain an annual license in lieu of bonding with the Department of Safety as previously required under (RSA 260:36). For more information on the fuel quality and licensing requirements please contact Robert Surowiec, Road Toll Administrator 271- 1029 or Matthew Hotchkiss, Road Toll Audit Manager 271-2386.

Biodiesel and Biomass Pump Labeling Requirements. Under provisions of the Energy Independence and Security Act of 2007, the Federal Trade Commission (FTC) has developed labeling requirements, effective on **December 16, 2008**, for fuel pumps dispensing biodiesel and biomass-based diesel. The new labels will inform consumers of

the percent of biodiesel or biomass-based diesel that is contained in the blend that is offered for sale. No label is required for biodiesel or biomass blends containing five percent or less of the alternative fuel provided the resulting fuel blend meets the ASTM diesel fuel specification, D975. Blends greater than 5% are required to be labeled. Biodiesel pumps will have a blue label and biomass-based diesel pumps will have an orange label.

More information on labeling requirements is available at the Granite State Clean Cities Coalition http://www.granitestatecleancities.org/alt_fuels.htm or by contacting the National Biodiesel Board at <http://www.biodiesel.org/>.

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